



**SPECIAL MEETING OF THE CITY COUNCIL
SEPTEMBER 22, 2022
MINUTES**

A meeting of the City Council ("Council") of the Village of The Hills ("the Village") was held in person and remotely. Mayor Wharton called the meeting to order, and the roll was called of the duly constituted officers and members of the Council to wit:

Present:

Greg Wharton, Mayor
Hilda Potsavich, Mayor Pro Tem
Robert Smith, Councilmember, Secretary

Rick Van Dalen, Councilmember
Jim Nelson, Councilmember, Treasurer
Sarah Carroll, Councilmember

thus, constituting a quorum.

Also present were Wendy Smith, City Manager and Sonja De La Fuente, City Secretary, Village of The Hills; and Jim Vick, The Hills POA.

1. CALL TO ORDER

The Special meeting was called to order at 9:00 A.M.

2. PLEDGE OF ALLEGIANCE

The Mayor led the Pledge of Allegiance.

3. PUBLIC COMMENT

None.

4. BUDGET AND TAX RATE

A. Hold a Public Hearing on the Proposed Fiscal Year 2022-2023 Budget

The Mayor opened the public Hearing.

There was not public comment.

The Mayor Closed the Public Hearing.

B. Hold a Public Hearing on the Proposed 2022 Ad Valorem Tax Rate

The Mayor opened the public Hearing.

Jim Vick asked if the appraised value driving higher revenue for the Village. The Mayor confirmed that it was. Jim also asked about revenue received from sales tax related to online purchases and club membership dues. The Mayor and Councilmember Nelson confirmed these have sustained, however revenue from online purchases decreased by about \$2,000 last month. The Mayor explained that ½ percent of the sales tax collected offsets resident's property tax.

Mayor Pro Tem Potsavich moved to close the Public Hearing; Councilmember Smith seconded the motion, which carried 5-0.

C. Discuss and consider approving an Ordinance adopting the Fiscal Year 2022-2023 Budget

Councilmember Van Dalen moved to adopt an Ordinance approving the Fiscal Year 2022-2023 Budget; Mayor Pro Tem Potsavich seconded the motion, which carried 5-0.

D. Discuss and consider adopting an Ordinance approving the 2022 Ad Valorem Tax Rate

Mayor Pro Tem Potsavich moved that the property tax rate is increased by adoption of the Tax Rate 0.1000, which effectively is a 22.5% increase in the new tax rate and adopt an Ordinance approving the 2022 Ad Valorem Tax Rate; Councilmember Nelson seconded the motion, which carried 5-0.

5. CONSENT AGENDA

- A. Minutes of the August 16, 2022, Special City Council Meeting
- B. Finance/Treasurer's Report for August 2022
- C. Quarterly Investment Report for April – June 2022
- D. Consider approving a Traffic Signal Cost Sharing Agreement with the City of Lakeway and HSD Lohmans Partners, LP for the traffic signal at the entrance to The Hills of Lakeway at Lohmans Crossing Road
- E. Consider and adopt a Park Rental Deposit of \$250, as Recommended by the Parks & Recreation Commission
- F. Consider ratifying asphalt repairs on The Hills Drive near Trophy Drive in the amount of \$8,500.80 by Alpha Paving Industries, LLC

Treasurer Jim Nelson provided the Treasurer's Report indicating that Sales Tax numbers are beginning to decrease, but not quite sure where they will settle. He will true up final numbers for the Fiscal Year at the next meeting. He didn't have anything unusual to report.

In regarding to the Quarterly Investment Report, City Manager Smith reported that investment revenue increased from April – June. There was a brief discussion held regarding investment options.

Councilmember Carroll shared that the park rental deposit for residents and non-residents would be \$250. Staff is looking at credit card processing options.

City Manager Smith reported that the asphalt repairs on The Hills Drive have been completed.

Mayor Pro Tem Potsavich moved approval of the consent agenda; Councilmember Van Dalen seconded the motion, which carried 5-0.

6. REPORTS

A. Law Enforcement

Deputy Constable Ozuna was not present.

B. POA Liaison

Mayor Pro Tem Potsavich reviewed her written notes as follows:

- Owners Forum - several residents spoke regarding topics ranging from landscape violation notices, manned gates, short term rentals to golf cart parking.
- Architectural Committee - Heidi Kelly, Chair, reminded residents that PODs require a permit from the POA and there is a time limit for how long they can remain on property.
- Landscape Committee - Hilda Potsavich substituting for Hayden Alvey, reported that the committee is getting bids to re-purpose the fountain as a landscaped structure; LandCare will credit the cost of the unusable pool pump toward future projects; clean-up continues along the Flintrock fence/Hills Drive.
- Security Committee - Tom Stiles said the Committee discussed to use of speed bumps and incorrect turns at the stop sign at the Lohmans gate entrance. RFPs for the security contract that will expire in March 2023 are to be distributed. The Committee also discussed the need upcoming need to repair or replace the 2014 Nissan Leaf because the original battery has weakened and doesn't hold a charge. They also are looking into adding another charging station at the Club Estates gate.
- Manager's Report - Club Corp has been contacted about cleaning up their property at Dashwood and Hills Drive (creek area), the Cottondale stop sign will be replaced when the other walkway signs are installed.
- Presidents Report - several guards have resigned after being treated rudely by residents; the guards wear body cameras and have recorded residents berating them. Jim Vick asked that residents be more courteous and abide by rules being put in place. He also discussed the 2023 budget and expects costs will rise.
- Treasurers Report - Mark has received a draft of the Reserve Analysis and once the final version is approved by the Board it will be posted.
- New Business - The Board agreed that homeowners are responsible for any damage to their yards and/or irrigation system caused by vehicles parking on their yards/ROW, not the POA. Overnight parking of golf carts and their covers were

addressed. The Board asked the requesting resident to bring his variance to the next meeting for discussion.

- Old Business - There will be three Board positions on the ballot in January; there will also be three Master Declaration changes on the ballot: Hills legal description, short term rentals and mandatory Club Membership.

She also reported that the Spruce Trees on Lohmans that died have been removed. The Landscape Committee decided to wait to see what will be done at the intersection to do any major updates.

C. MUD Liaison

Mayor Wharton was not able to attend the meeting on September 19, 2022, but reviewed the draft minutes from the meeting. He noted that the Directors Election has been canceled and the three candidates have been declared elected. He also pointed out that the rate structure has moved to four tiers with an increase in rates.

D. Club Liaison

Councilmember Van Dalen had nothing to report.

E. Park Liaison

Councilmember Carroll reported that Movie Night will be on October 6th and the Youth Advisory Committee will hold the Trail of Treats that evening as well. Hills City Limits will be held on November 6th.

F. Youth Advisory Commission

City Manager Smith reported that the Diaper Drive will be October 2nd through November 6th for parents in need.

G. City Manager's Report

City Manager Smith reported that there has not been any new development related to the golf course. National Night Out is on October 4th where golf cart safety, gun safety and a neighbor program will be the focus. They will also take names for people who want to do welfare checks. She also reported that the new landscaping contractor has begun, and staff are currently overseeing/checking sites and working with the POA on right of way mowing. Finally, she reported that staff have received the first application for a Short-Term Rental permit and the inspections have been scheduled.

H. Mayor's Report

Mayor Wharton reported that there has been discussion in the community regarding a Community Center and he wanted to clarify that there are no official happenings related to that. He advised that he and the POA President met with a Parks and Recreation

Commissioner who was interested in this, and he was encouraged to pursue it if it was something he was interested in.

7. BUSINESS ITEMS

- A. Discuss and consider approving a Budget Amendment to Fiscal Year 2021-2022 Budget

The City Manager provided the report for this item.

Councilmember Carroll moved to approve the Budget Amendment to Fiscal Year 2021-2022 Budget.; Mayor Pro Tem Potsavich seconded the motion, which carried 5-0.

- B. Discuss and consider adopting an Ordinance creating a Hotel Occupancy Tax Fund beginning Fiscal Year 2022-23

The City Manager provided the report for this item. She pointed out that these funds are restricted.

Mayor Pro Tem Potsavich moved to adopt an Ordinance creating a Hotel Occupancy Tax Fund beginning Fiscal Year 2022-2023; Councilmember Van Dalen seconded the motion, which carried 5-0.

- C. Discuss and consider a funding request from Homeowners United for Rate Fairness (HURF)

Mayor Pro Tem Potsavich provided the report regarding this item. The Mayor cautioned the City about donating money to fund a lawsuit even though the City Attorney has advised that it is legal for the City to participate. There was discussion held among the Council regarding setting precedent.

Jim Vick, POA President advised that they received a funding request for this as well. He expressed concern with homeowners contributing if all three entities are contributing (MUD, POA and City).

Mayor Pro Tem Potsavich moved to table the item and gather more information regarding the impact and ask HURF to provide homeowners with their standard communication; Councilmember Nelson seconded the motion, which carried 5-0.

- D. Discuss and consider approving a Proposal and Change Order for the Walking Trail Project VTH.003

City Manager Smith provided the report for this item. She reported that the contractor is completing fixes now.

Mayor Pro Tem Potsavich moved to approve a proposal and change order for the Walking Trail Project VTH.003; Councilmember Smith seconded the motion, which carried 5-0.

E. Discuss and consider approving a License Agreement with The Hills Country Club

City Manager Smith provided the report for this item. She reported that she has received two bids and is clarifying some language in the agreement. There was discussion held among the Council.

Mayor Wharton moved to table the item until language is finalized and bids; Mayor Pro Tem Potsavich seconded the motion, which carried 5-0.

F. Discuss and consider an additional over 65 tax exemption for FY 2023-2024

The Mayor provided the report for this item and advised that he is still researching information.

Mayor Wharton moved to table the item; Mayor Pro Tem Potsavich seconded the motion, which carried 5-0.

8. ANNOUNCEMENTS AND REQUESTS

Items to be included on the next agenda.

- A. Evaluation of big investment risk policy.
- B. HURF Report
- C. Parking Tickets
- D. Over 65 Tax Exemption
- E. CLFR Fund Committee

The City Council recessed the open meeting and convened to Executive Session at 11:17 A.M.

9. EXECUTIVE SESSION

The Mayor and City Council may adjourn into Executive Session at any time during the course of this meeting to discuss any matters listed on the agenda, as authorized by the Texas Government Code including, but not limited to, Sections §441.071 (Consultation with attorney), §551.072 (Deliberations about Real Property), §551.073 (Deliberations about Gifts and Donations), §551.074 (Personnel Matters), §551.076 (Deliberations about Security Devices), §551.087 (Economic Development), §418.183 (Deliberations about Homeland Security Issues), and as authorized by the Texas Tax Code including, but not limited to Section 321.3022 (Sales Tax Information).

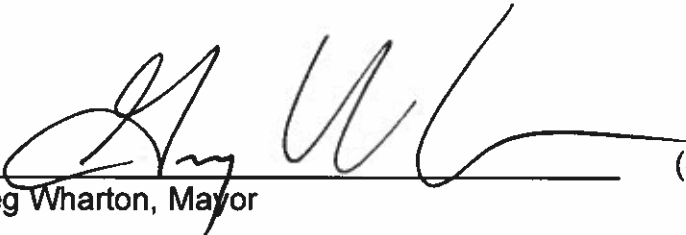
- A. §551.074 Personnel Matters: Organizational Chart
- B. §551.072 Deliberations about Real Property: Properties utilized as drainage, floodplain, and water retention facilities

10. ADJOURNMENT

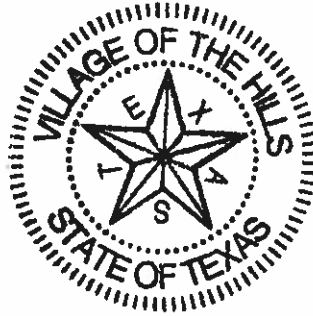
The City Council reconvened the open meeting at 12:10 P.M. There was no reportable action.

Mayor Pro Tem Potsavich moved to adjourn; Councilmember Smith seconded the motion, which carried 5-0.

Signed this 11th day of October 2022.



Greg Wharton, Mayor (Seal)



ATTEST:



Sonja De La Fuente, City Secretary